



The background features a panoramic view of a city skyline during sunset or sunrise. The sky is filled with warm, orange and pink hues. A tall, modern skyscraper stands prominently on the right side, its upper portion illuminated with a bright green light. In the distance, other buildings and hills are visible under the colorful sky.

**CREDIT ONE**

**[WWW.CREDITONELL.COM](http://WWW.CREDITONELL.COM)**



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# ABOUT US



Credit One LLC is a bank and financial services company specializing in credit cards, particularly for borrowers with low credit scores.



We are located in Taiwan.



# CONTEXT - WHAT'S GOING ON?

01

Beginning in 1990, **the Taiwanese government allowed the formation of new banks which lent large sums of money to real estate companies.** However, after a couple of years of expansion, the real estate market became saturated and profits from **the sector stopped growing.**

02

**The new banks turned to other new business – credit cards and cash cards** – and lowered the requirements for credit card approvals to get more customers. **Young people became target customers and although they tend not to have enough income,** banks still issued credits cards to them.

03

In February 2006, debt from credit cards and cash cards reached \$268 billion USD. **More than half a million people** were not able to repay their loans. They **became “credit card slaves”**, a term coined in Taiwan to refer to people who could only pay the minimum balance on their credit card debt every month. **This issue resulted in significant societal problems.**



# OUR GOALS

**CREATE A SCORING SYSTEM** to determine whether a customer has a non-default or a default status and **CREATE A MODEL TO PREDICT CUSTOMER NEXT MONTH STATUS.**



**ESTABLISH NEW PAYMENT METHODS** and follow them up to control the payments of our customers and avoid them to get a default status.

**CREATE A MODEL TO DETERMINE THE CREDIT LIMIT** that we can assign to **NEW CUSTOMERS.**



A modern office interior featuring long wooden desks and chairs. Large windows provide a view of a lush, green landscape outside. The ceiling is made of wood and has exposed pipes. A large, stylized title 'CUSTOMERS PROFILE' is overlaid in white text.

# CUSTOMERS PROFILE



# CUSTOMERS PROFILE - SCORING SYSTEM

## SCORING SYSTEM:

### Credit Utilization:

- Debt under 30%: 2 points
- Debt between 30-70% : 4 points
- Debt over 70%: 6 points

### Payback:

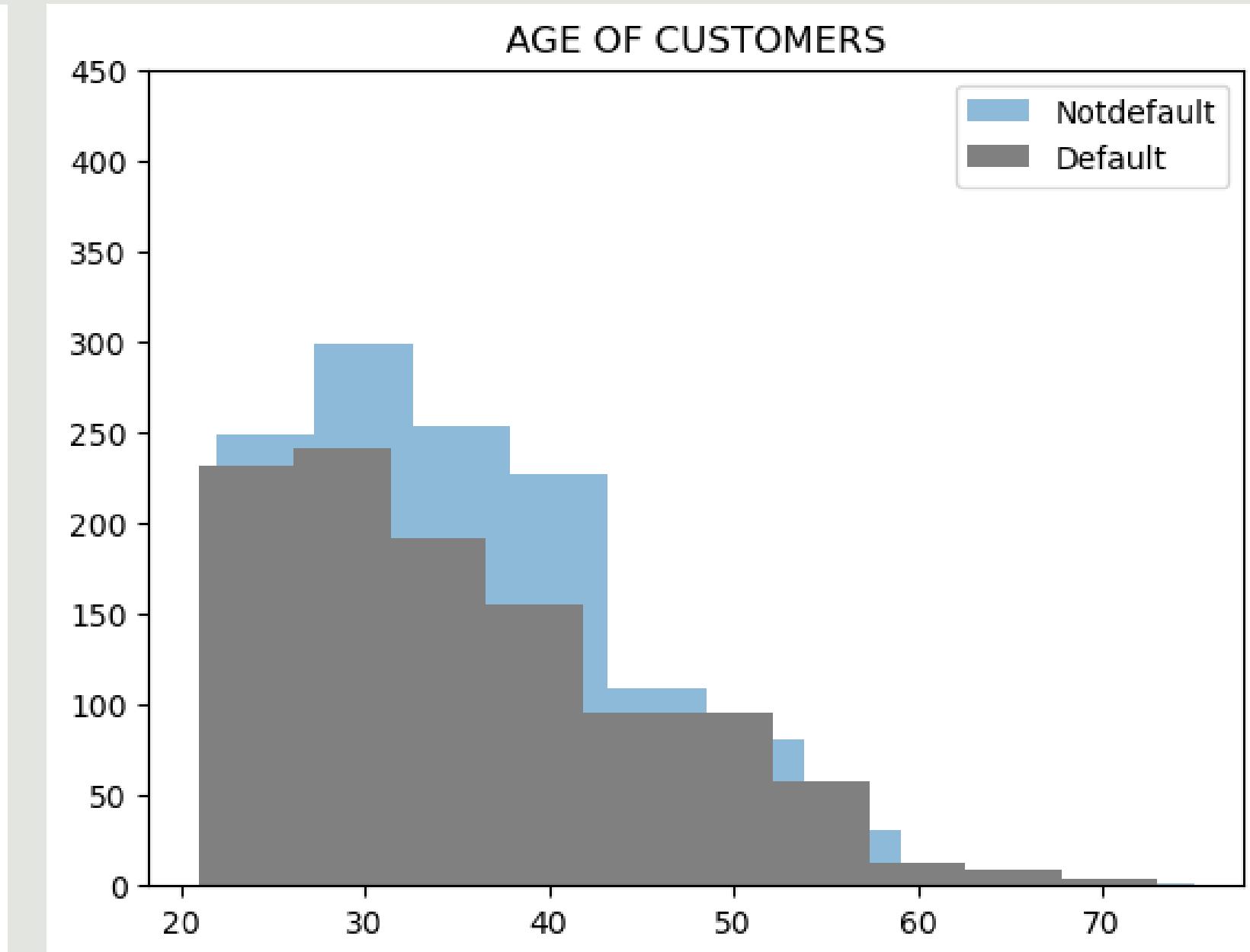
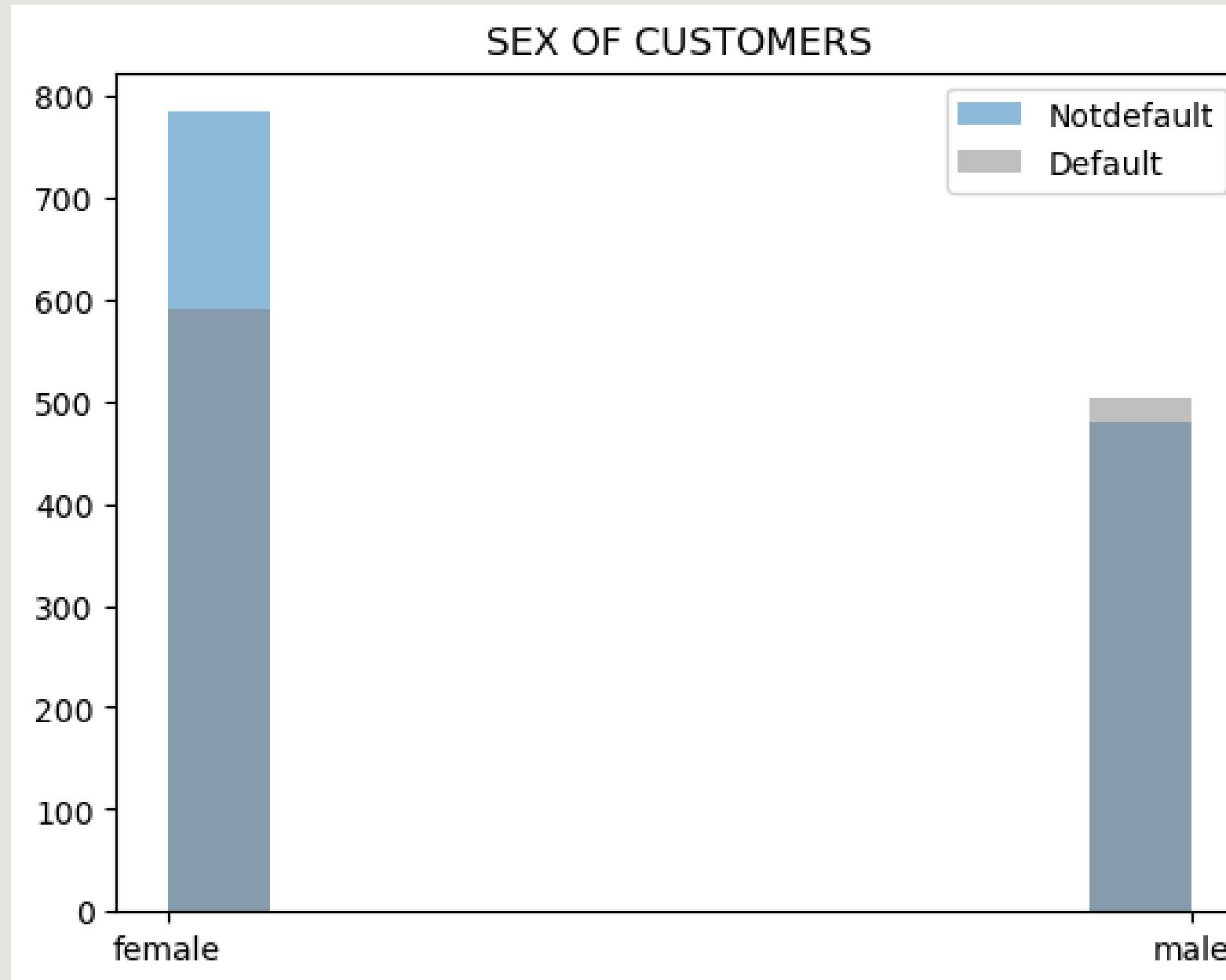
- From 12 to 24 months: 10 points
- From 24 to 36 months: 12 points
- More than 36 months: 14 points



## DEFAULT STATUS

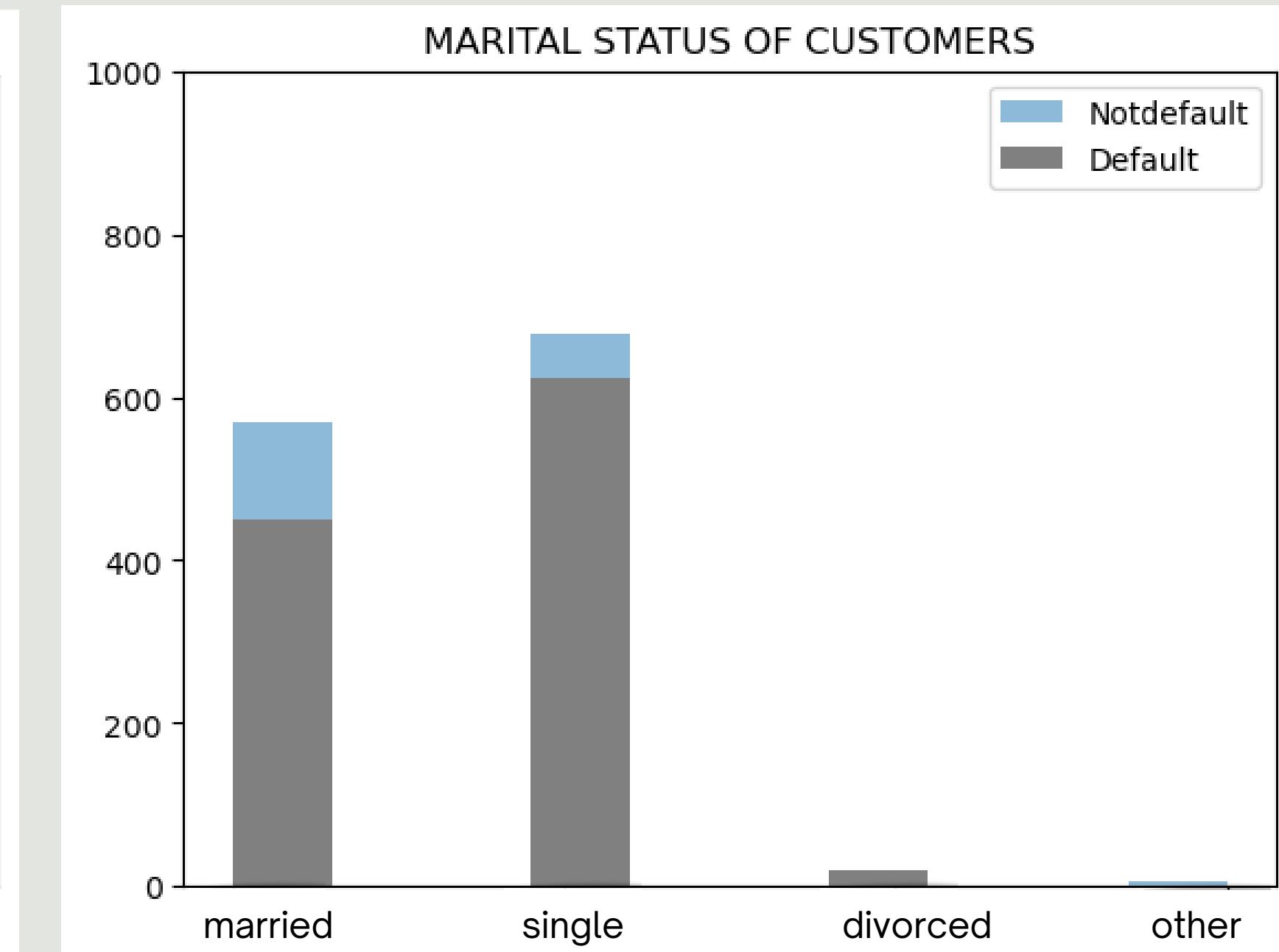
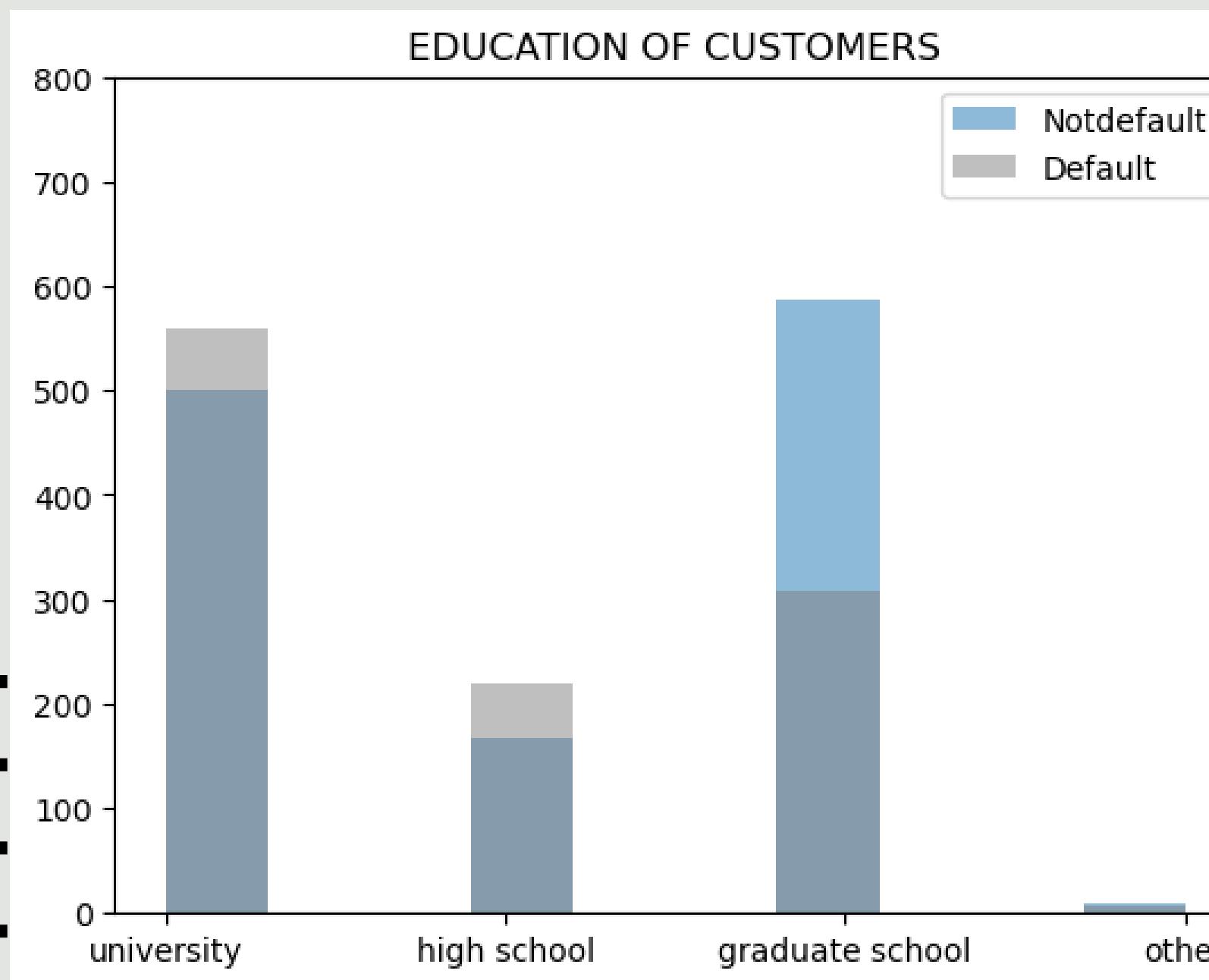
MORE THAN 15 POINTS  
OUT OF 20 POINTS

# CUSTOMERS PROFILE - SEX & AGE



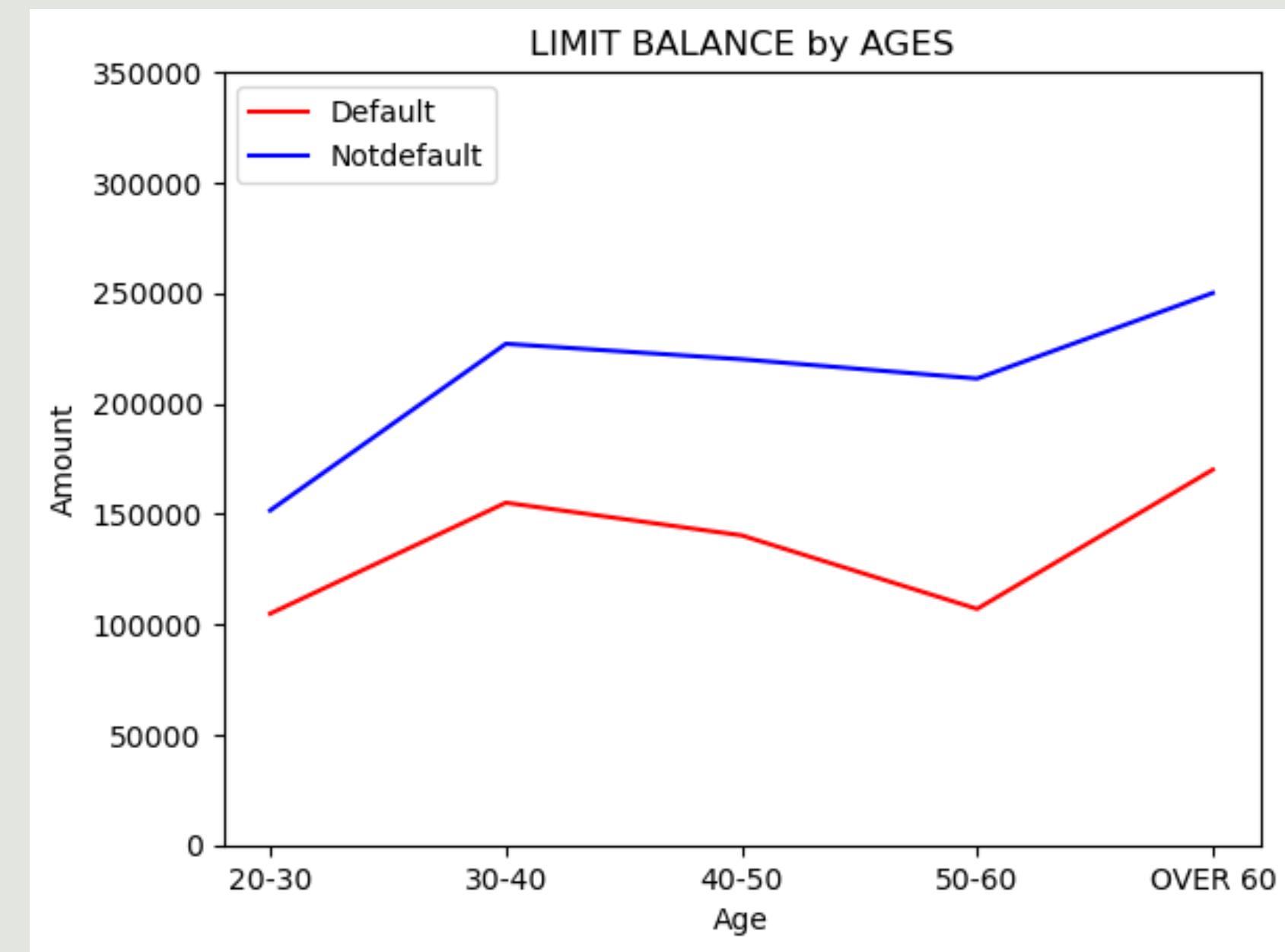
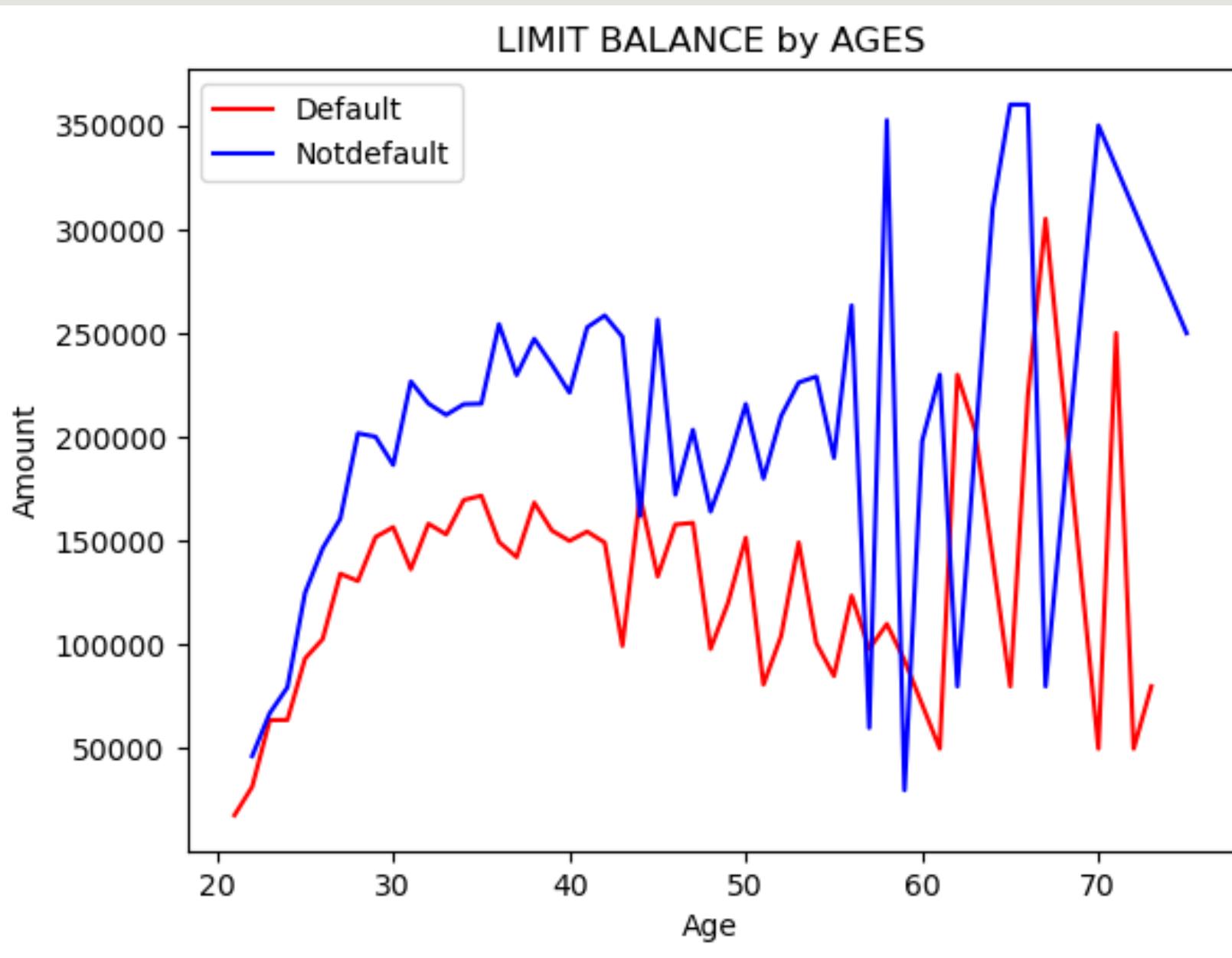
- A higher percentage of default customers are male.
  - Majority of female customers.
- Most of the customers are between 20 and 40 years old.

# CUSTOMERS PROFILE - EDUCATION & MARITAL STATUS



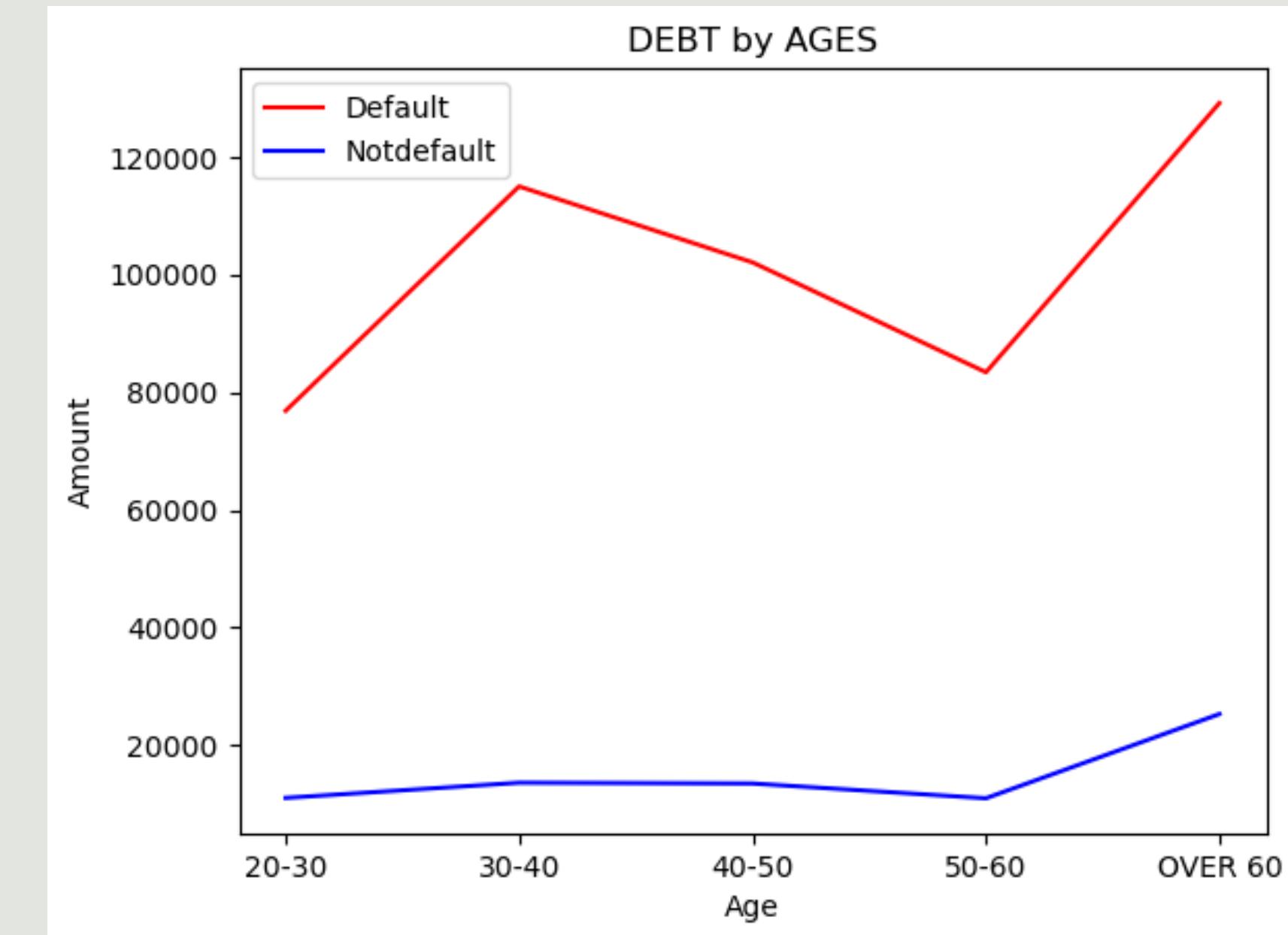
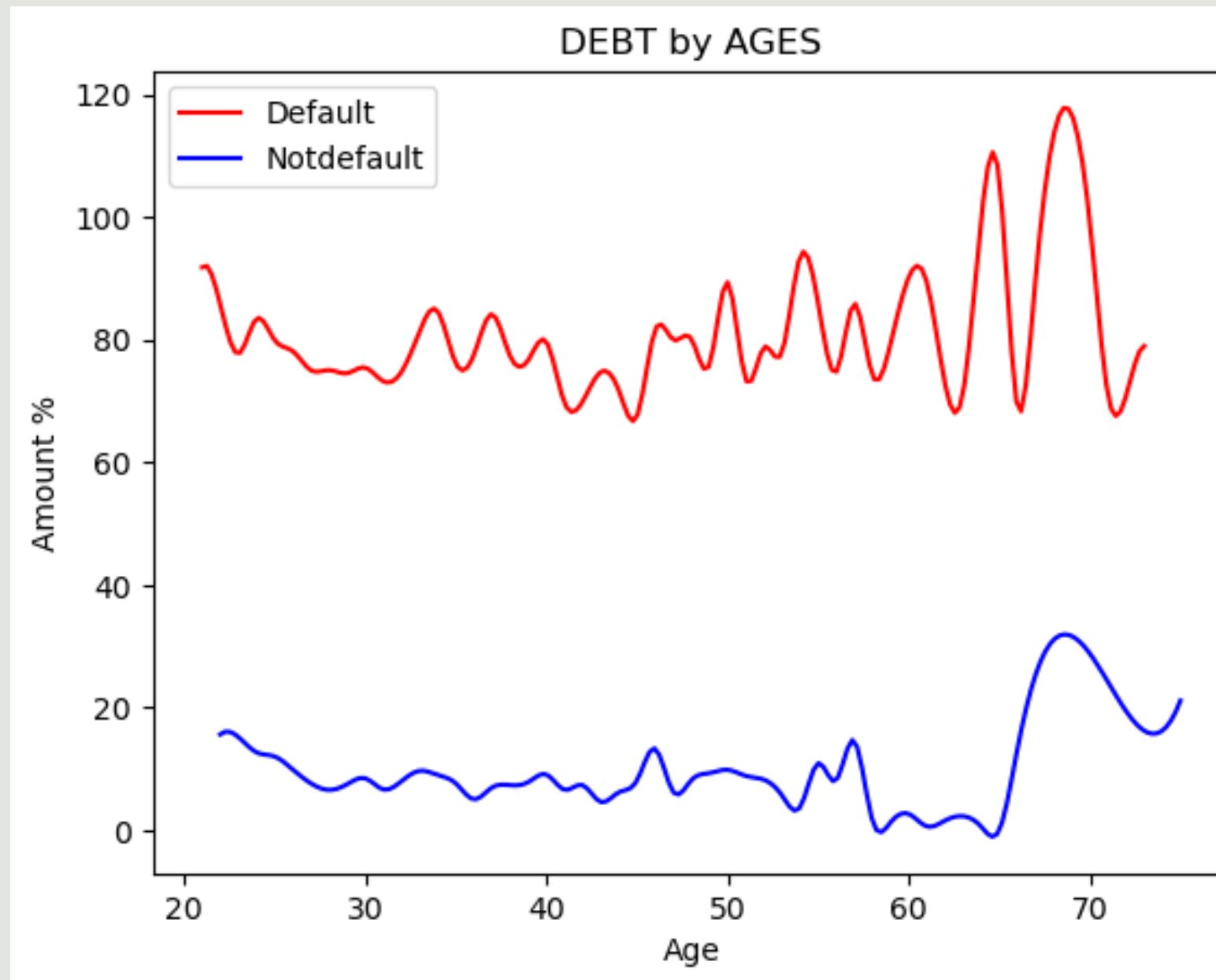
• Most of defaults customers are single and have university education.

# CUSTOMERS PROFILE - *LIMIT BALANCE*



- ▪ ▪ ▪ ▪
- Not default customers have higher limit balances.
- Young customers have lower limit balances.

# CUSTOMERS PROFILE - DEBT



- Default customers have much higher debt amount and percentage.

A modern office interior featuring long wooden desks arranged in rows. The office is filled with various plants in planters, adding a touch of greenery. Large windows on the left provide a view of a lush, green landscape outside. The ceiling is made of light-colored wood beams, and there are some industrial-style lights hanging from the ceiling. The overall atmosphere is bright and airy.

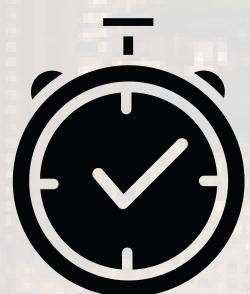
**DEFAULT  
CUSTOMERS**

# PREDICTING & MANAGING DEFAULT CUSTOMERS

Creating a model to predict next month payment status.



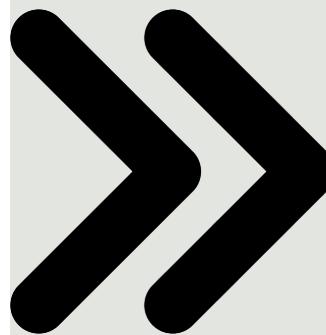
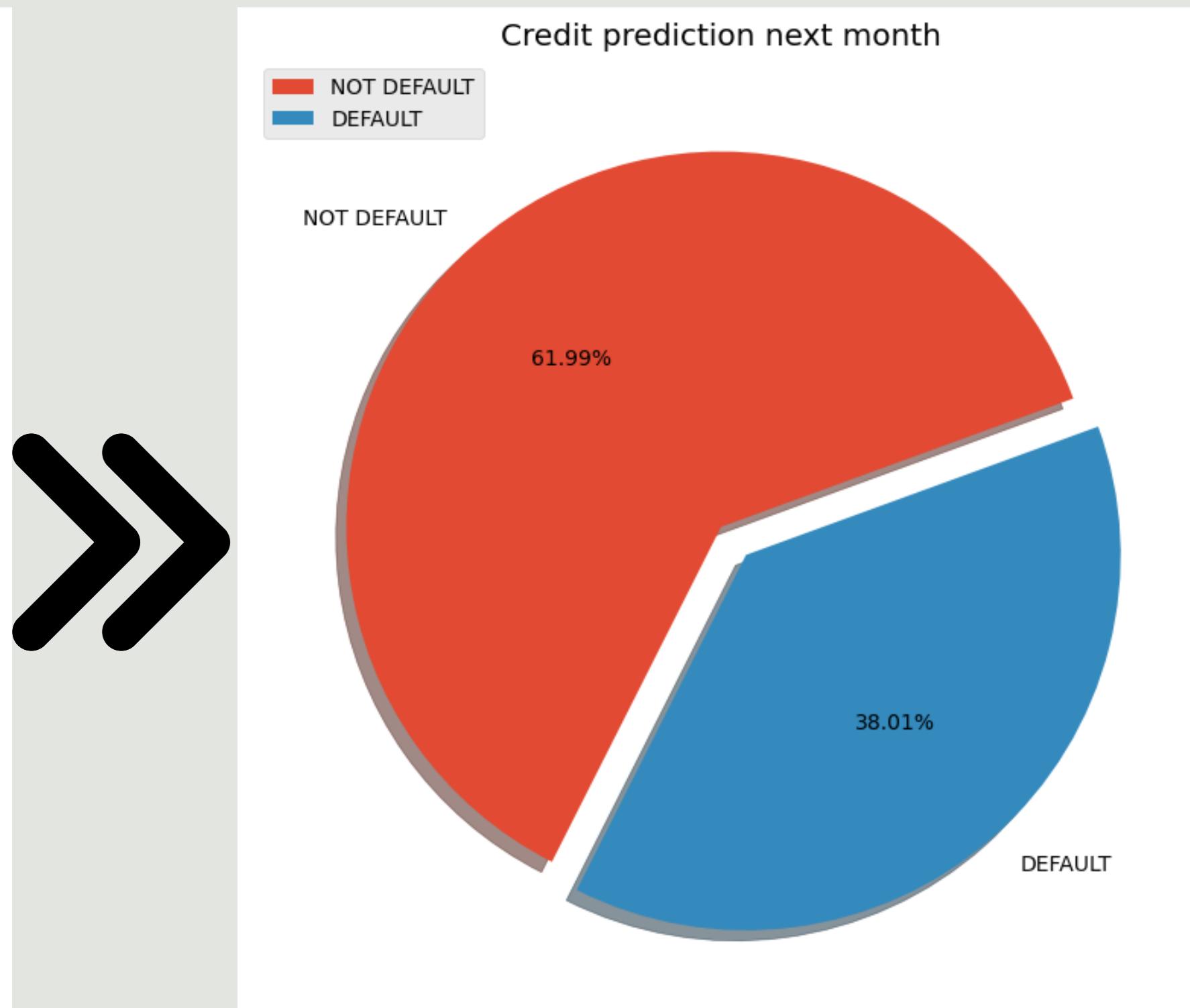
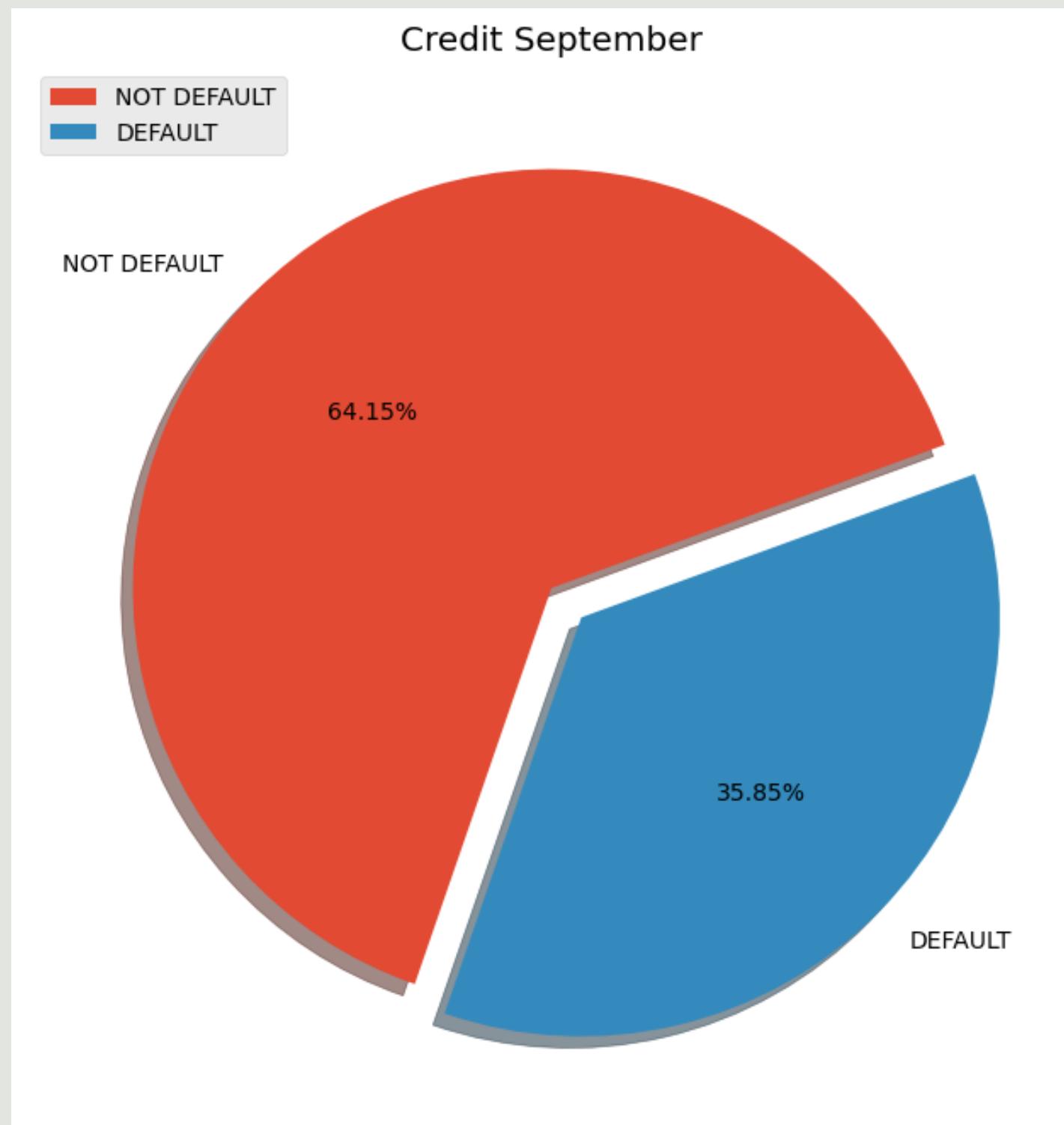
Classifying default customers depending on the payback time.



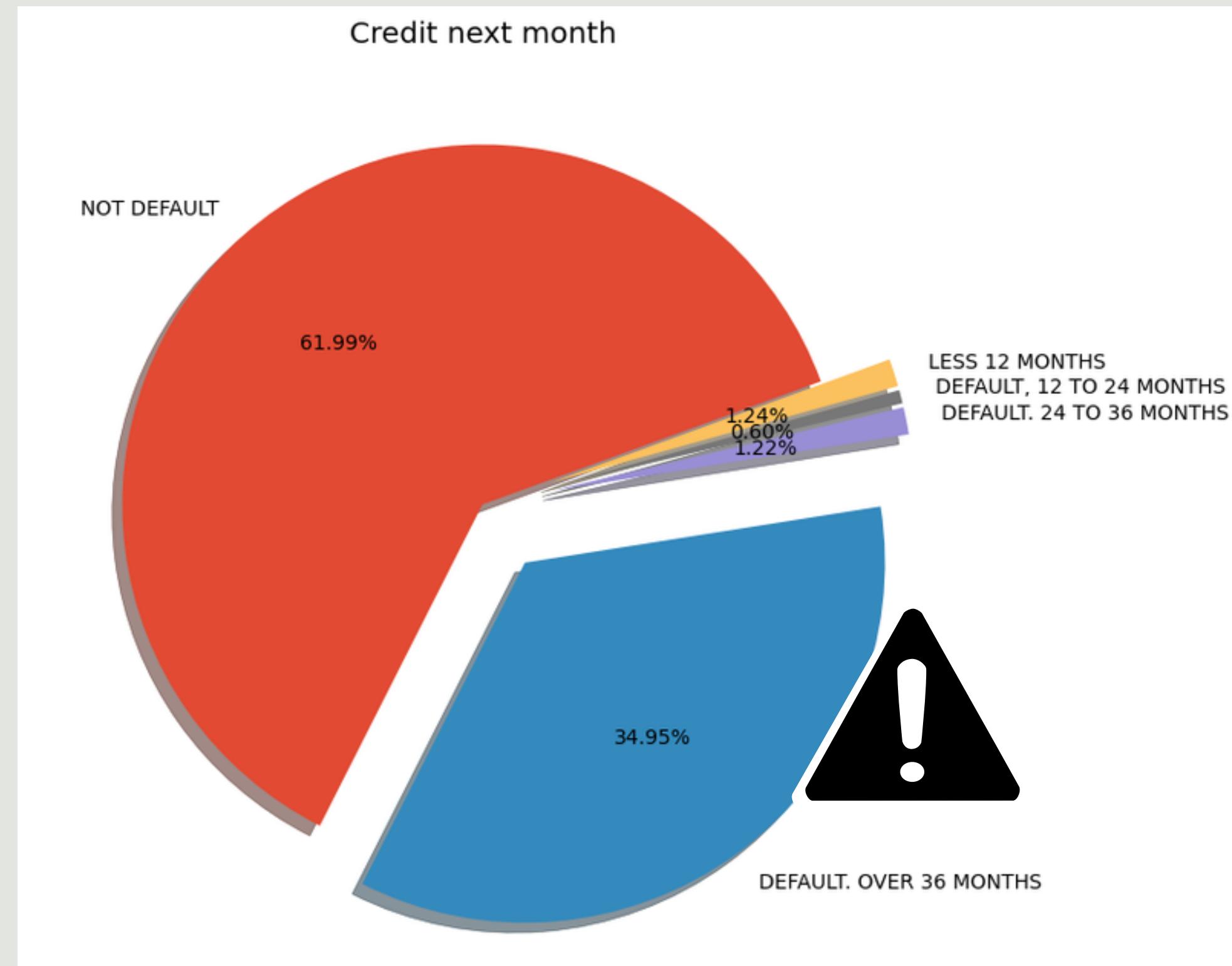
Making an action plan creating a new payment plan to control and manage the debt.



# DEFAULT CUSTOMERS - PREDICTING NEXT MONTH



# DEFAULT CUSTOMERS - CLASSIFICATION



# DEFAULT CUSTOMERS PAYMENT PLAN

1

## DEBT RESTRUCTURING

We will establish a new payback limit of 24 months which will determine the new monthly payment.

2

## STAGGERED PAYMENT PLAN

In order to get the full debt paid in 24 months we will propose a staggered payment plan, where customers make lower initial payments that gradually increase over time as their financial situation improves.

3

## SINGLE DISCOUNTED PAYMENT

In certain cases, we may be willing to accept a single payment with a discount on the total amount owed (5%). This can be an attractive option for customers capable of making a lump-sum payment.





# SELLING DEBT

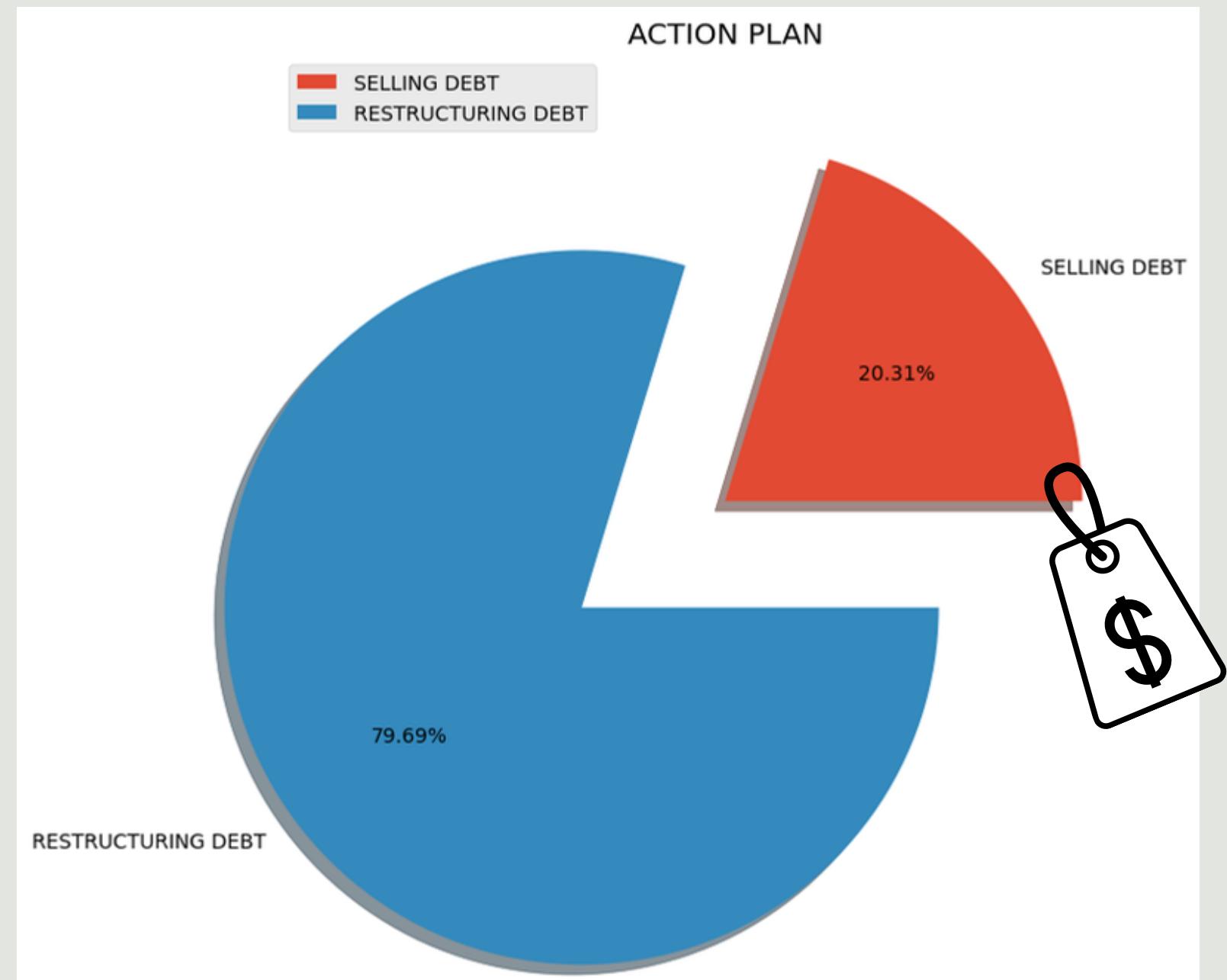
After applying the new payment plan to our default customers we have obtained a new monthly payment quote.

If these payment quotes have increased more than a 50% we will assume that our customer won't be able to set the debt and we will proceed to sell that debt.



**IF THE MONTHLY  
NEW PAYMENT  
INCREASE MORE  
THAN A 50%**

# SELLING DEBT



The amount of debt to sell represents a **20,31% of default debt and a 7,8% of the total debt.**

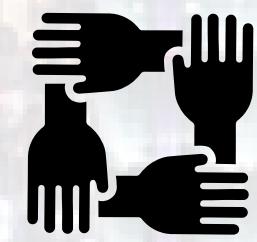
That is a total of 30.878.038\$.

If we get to sell this debt for the 50% of its value that would mean a loss of around 15 millions of \$.

A modern office interior featuring long wooden desks, black office chairs, and large windows that look out onto a lush green garden. The ceiling is made of light-colored wood beams, and there are some hanging lights. The overall atmosphere is bright and airy.

**NEW  
CUSTOMERS**

# NEW CRITERIA TO GRANT CREDIT FOR NEW CUSTOMERS



## Employment history

We will ask our customers a **job contract and the last payroll** to guarantee that they have incomes and payment capacity.



## Guarantees

We will require collateral, such as a **guarantor or a mortgage**, to secure the 100% of the loan in case of defaults.



## Elegibility

The customer must meet certain eligibility criteria, which may include **age, minimum income, credit history, and other factors**.



## Payments

The customer must agree on a **payment plan**, including the amount of monthly payments and due date. **The credit limit will be assign by the bank using a model.**

# CREATING A MODEL TO ASSIGN CREDIT LIMIT TO NEW CUSTOMERS

```
▶ 1 new_customer()
```

Introduce customer details:

Introduce age: 38

```
▶ 1 pd.DataFrame(columns = ['AGE', 'SEX', 'EDUCATION', 'MARRIAGE'])
```

```
]:
```

AGE	SEX	EDUCATION	MARRIAGE
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A modern office interior featuring a large open-plan workspace. The room is filled with natural light from large windows on the left. The furniture consists of long wooden desks arranged in rows, each equipped with a computer monitor and keyboard. Numerous potted plants of various sizes are integrated throughout the space, including a massive green wall covered in hanging plants along the back wall and smaller plants on individual desks. The ceiling is made of light-colored wood beams, and a modern chandelier hangs from the center. The overall atmosphere is bright, airy, and eco-friendly.

# RESULTS

# RESULTS

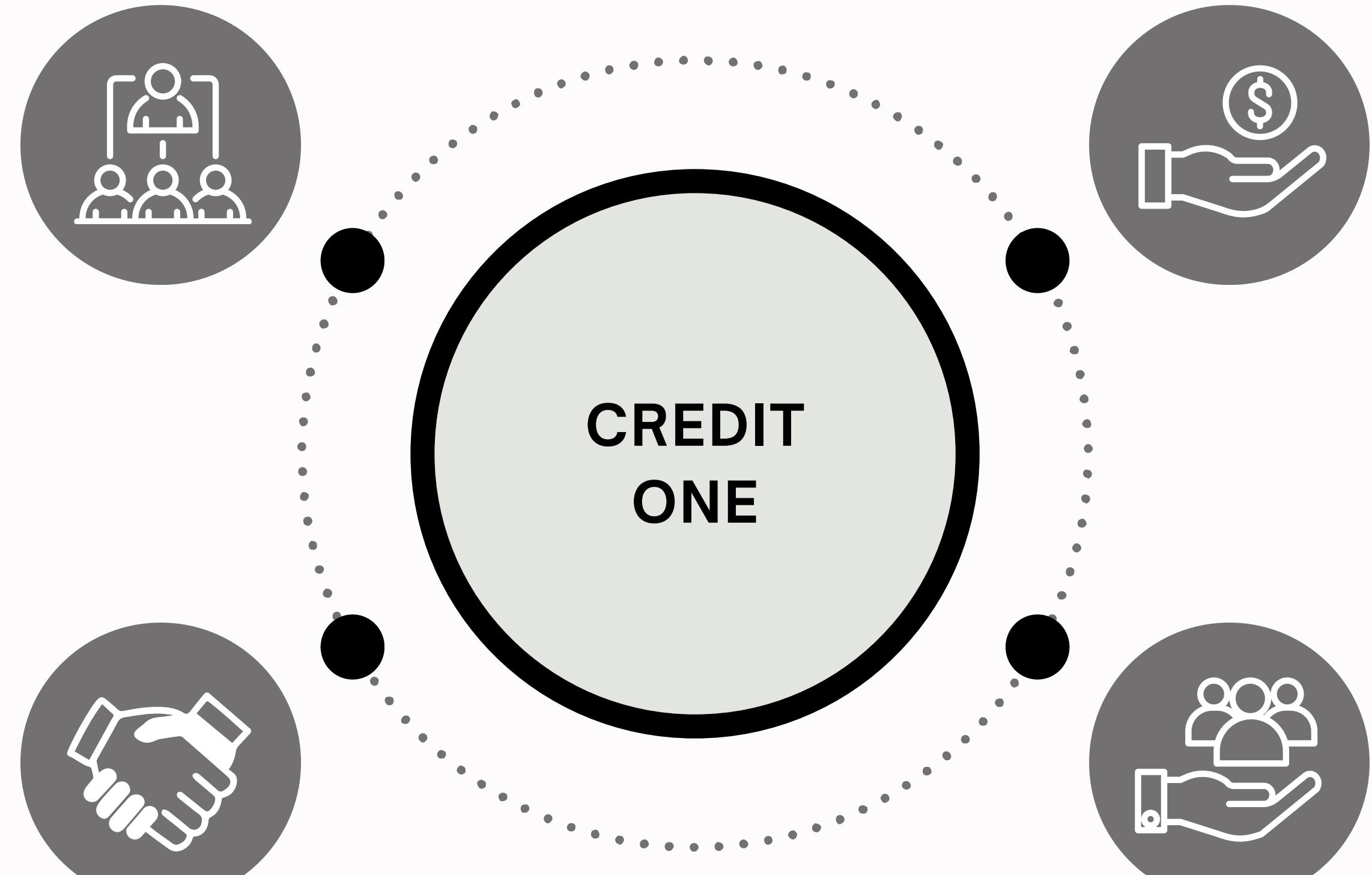
**TOTAL CREDIT LENT**  
392 MILLIONS \$

**DEFAULT CREDIT**  
152 MILLIONS \$

**CREDIT TO SELL**  
30 MILLIONS \$

**TOTAL LOSS**  
15 MILLIONS \$

**3,8%**



Credit  
One

# THANK YOU

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